

In order for a Certificate of Resale to be valid in Illinois, it must contain the items of information set out in 86 Ill. Adm. Code 130.1405(b). (This is a GIL.)

September 5, 2001

Dear Xxxxx:

This letter is in response to your letter dated May 14, 2001. The nature of your letter and the information you have provided require that we respond with a General Information Letter, which is designed to provide general information, is not a statement of Department policy and is not binding on the Department. See 2 Ill. Adm. Code 1200.120(b) and (c), which can be accessed at the Department's Website at <http://www.revenue.state.il.us/legalinformation/regs/part1200>.

In your letter, you have stated and made inquiry as follows:

Our client, a wholesale/retail distributor of machine repair parts located in Pennsylvania, is currently making taxable sales and collecting sales tax in your state. The Company has developed a Multi-Jurisdiction Sales Tax Exemption Certificate that it is proposing to use for sales made in the state of Illinois that we have included for your review. We have attached a letter of response, along with a self addressed stamped envelope, which we ask that you complete and return to us.

We thank you in advance for your cooperation in this matter.

The Illinois Department of Revenue cannot authorize use of the exemption certificate you appended to your letter because it provides for tax-free purchases of tangible personal property that will be leased. Under Illinois law, lessors are subjected to a Use Tax on their cost price of tangible personal property that they use by leasing in Illinois. This means lessors encounter a front-end tax on value rather than an amortized tax on receipts. The only exception is automobiles rented for one year or less, which are subject to the Automobile Renting and Use Tax found at 35 ILCS 155/1 et seq.

To purchase items of tangible personal property tax free for the purpose of resale, purchasers must submit properly completed Certificates of Resale to sellers. In order for a Certificate of Resale to be valid in Illinois, it must contain the items of information set out in 86 Ill. Adm. Code 130.1405(b), enclosed.

For your benefit, we have enclosed a copy of Department form CRT-61. This is the Department's standard Certificate of Resale form.

I hope this information is helpful. The Department of Revenue maintains a Web site, which can be accessed at [www.revenue.state.il.us](http://www.revenue.state.il.us). If you have further questions related to the Illinois sales tax laws, please contact the Department's Taxpayer Information Division at (217) 782-3336.

If you are not under audit and you wish to obtain a binding Private Letter Ruling regarding your factual situation, please submit all of the information set out in items 1 through 8 of Section 1200.110(b).

Very truly yours,

Karl W. Betz  
Associate Counsel

KWB:msk  
Enc.